

OFFICIAL PROCEEDINGS OF THE BOARD OF TRUSTEES CITY OF LANSING POLICE AND FIRE RETIREMENT SYSTEM

Regular Meeting
Council Conference Room
10th Floor, City Hall
Lansing, MI

July 15, 2014
Tuesday, 8:30 a.m.

The Board was called to order at 8:32 a.m.

Present: Trustees Benson, Fabus, Hecksel, Kraus (8:37a.m.), Oleson, St. Aubin, Wood– 7.

Absent: Trustee Bernero

Others: Angela Bennett, Karen E. Williams, Finance Department; Mark Parker, Employees' Retirement System Board; Attorney Ken Lane, Clark Hill Law Office (representing the Law Department).

It was moved by Trustee Hecksel and supported by Trustee Wood to approve the Official Minutes of the Police and Fire Retirement System Board Meeting of June 17, 2014.

Adopted by the following vote: 6 – 0

There were no public comments.

Secretary's Report.

0 new fire member(s), 2 new police members, 0 reinstatement(s), 0 refund(s), 0 transfers, 0 retired. Total: Active membership: 333. 3 death(s). Virginia E. DeCair, died May 17, 2014, age 96, spouse of Fire retiree; Lawrence Bauer, Police, died 6/23/2014, age 68, no beneficiary; Jerry D. Mills, Police, died July 9, 2014, age 77, spouse to receive 50%. Refunds made since the last regular meeting amounted to \$0.00. Reimbursements to the System year-to-date amount to \$0.00. Retirement allowances paid for the month of June 2014 amounted to \$2,261,435.82. Total retirement checks printed for the P&F System: 698. Total retirement checks printed for both systems: 1596. Domestic relations order received: 0 Domestic relations orders pending: 1. Eligible domestic relations orders certified: 0.

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It was moved Trustee Oleson and supported by Trustee Hecksel to approve the following applications for Regular Age and Service Retirements:

Judith Horning, Police Department, 25 years of service credit, age 55, effective August 12, 2014 (with purchase of 1 year, 3 months of service credits)

Bradley D. Drury, Fire Department, 25 years of service credit, age 45, effective August 16, 2014 (with purchase of 1 year of service credits)

Adopted by the following vote: 6 – 0.

There were no requests for duty disability.

Karen Williams reported that Applicant #2014-F0513 has seen the medical director and the subcommittee is waiting for Dr. Roth's report.

Trustee Hecksel inquired if there was a problem with applicant's appointment with the medical director.

Ms. Williams reported that she contacted the medical director's office and was informed that documents for Applicant #2014-F0513 had been received. The Retirement Office informed the Board that no diagnosis was sent to medical director. The Retirement Office only informed the medical director that an applicant was being evaluated for duty or non-duty disability.

There were no requests for refund of accumulated contributions.

Ms. Antonia Kraus arrived at the meeting.

Ms. Williams updated the Police and Fire Retirement Board regarding the Arrivos software project. The Tegrity team will be focused on the retirement calculators. Ms. Williams also reported to the Board regarding the sale of Tegrity Technologies. MERS has decided to negotiate the sale to a group of Tegrity senior management employees.

Trustee St. Aubin stated he had Attorney Ken Lane review the current contract regarding the sale. Attorney Ken Lane reported that there was an assignment clause in the contract. The City of Lansing Retirement Boards needed to sign a consent form to assign the contract to the new company, Tegrity Software Ventures. The contract provisions and protections will remain the same.

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Ms. Williams announced the Fall Mapers Conference would be held September 14 -16 in Acme, Michigan. Ms. Williams requested that application and requests be submitted before the August 15, 2014 deadline for early registration.

Ms. Williams also announced the NCPERS Public Safety Conference October 26 - 29 in New Orleans. Ms. William requested that applications and requests be submitted before the October 2, 2014 deadline for early registration.

Attorney Lane updated the Police and Fire Retirement Board that the City Attorney's Office had completed a draft of the Retirement Ordinance to include the new provisions of the Fire Contract. The Contract has been provided to the Human Resources Department for review. After the Human Resources department reviews the draft, it can be prepared for City Council. City Council can refer the document to the retirement board for review.

Attorney Lane updated the Police and Fire Board regarding the Dewpoint contract extension for Dawn Polihonki's work on the software project. Attorney Lane informed the Board that the Employees' Retirement System had approved the extension. Attorney Lane added language to ensure that Ms. Polihonki's time for the Board is not mingled with other duties she has with the City. Also language was added to the contract to prohibit Ms. Polihonki from becoming a City employee and having a contract with the Retirement Board.

Karen Williams updated the ERS Board regarding the Due Diligence Visit to Asset Consulting Group scheduled for October 1 -3. Ms. Williams discussed travel options for trustees, flight arrangements from Lansing City Airport and Detroit Metro Airport.

Trustees requested that the Retirement Office research non-stop options from nearby airports.

Ms. Williams reported that Angela Bennett received a fee agreement for new GASB 67/68 accounting provisions for the retirement plans from Boomershine Consulting Group.

Attorney Ken Lane reported that he reviewed the actuarial contract and believed that Boomershine Consulting Group's obligation is to prepare an actuarial valuation report which includes all information needed to comply with required GASB standards, procedures, and all applicable state and federal laws.

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Attorney Lane opined that he did not believe the system should have to pay the additional fee. The new GASB accounting provision should be included under the current contract. Attorney Lane stated that he would talk to Mr. Greg Stump regarding the contract.

Trustee Kraus provided a computer presentation of a shared folder that she had the Information Technology department create for the Retirement Boards. The shared folder has been set up as R: Drive. The drive will be a central location for trustees and retirement board documents and information. The drive would be available for members who had access to the city servers. Trustee Kraus reported that the Retirement Office would be able to save agenda, minutes and other Board material on the drive for members. No employee-based information will be available on the drive. Trustee Kraus believed that a trustee link could be set up on the Retirement web page for members who did not have access to city servers.

Trustee Wood stated that the link could be similar to what is done with City Council. Documents that are available for action by Trustees can be made available on the website.

Trustee Kraus stated that the drive can be formatted to be the Retirement Board specifications. The Retirement Office will manage the R Drive.

Angela Bennett provided an update for the OPEB Valuation data. Ms. Bennett explained that OPEB information includes retiree health care and other post-employment benefits. The accounting department is working to provide the asset information. The demographic data collection for the OPEB is pending.

Karen Williams reviewed the Monthly Investment Report and Securities Lending Reports for the period ending June 30, 2014.

Trustee St. Aubin inquired regarding the performance of the Private Advisors investment.

Trustee Benson also inquired regarding how the City of Lansing Retirement systems portfolio compared with other within Michigan.

The Board discussed a MAPERS study that compared similar plan within Michigan

Trustee Kraus inquired about how the health care for the Police and Fire Retirement System is invested.

Ms. Bennett stated that the health care assets are invested within the portfolio, but the assets are not counted toward the actuarial valuation or pension liabilities.

It was moved by Trustee Benson and supported by Trustee Hecksel to adjourn the meeting.

Adopted by the following vote: 7 - 0

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The meeting adjourned at 9:44 am.

Minutes approved on _____

Angela Bennett, Secretary
Police & Fire Retirement System

Brad St. Aubin, Chairperson
Police & Fire Retirement System